



MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Max Baucus (D-Mont.)
Re: CMS announcement of final regulations on Medicare plan marketing and Special Needs Plans

Finance Chairman Baucus commented today on the announcement from the Centers for Medicare and Medicaid Services (CMS) of final rules that implement Baucus's own marketing safeguards for seniors in the Medicare program. CMS says it will ban, as of October 1, 2008, the following practices prohibited by Baucus's Medicare Improvements for Patients and Providers Act, enacted by Congress in June of this year:

- Providing meals to seniors as part of marketing activities;
- Telemarketing, door-to-door solicitation, and other sales contacts made without a beneficiary's express invitation;
- Cross-selling of non-health care related products during any sales, marketing, or presentation for an MA plan or PDP;
- Conducting sales presentations or distributing and accepting plan applications in provider offices or other places where health care is delivered; and
- Conducting sales activities, distributing, or collecting applications at education events.

Baucus said, **"CMS is moving in the right direction today, by following the new Medicare law's call to draw clear lines that will weed out unscrupulous marketing agents who prey on seniors for profit. Now, CMS must follow up and follow through for seniors in Medicare. CMS must track plans' actions pursuant to these new rules, listen to complaints from seniors, and crack down when any plan runs afoul of the law or fails to stop shady agents and brokers from engaging in unfair practices. In turn, the Finance Committee will watch CMS to make sure the effort to protect seniors doesn't stop here."**

The Baucus Medicare bill also required CMS to place limits on compensation available to plan agents or brokers for selling and enrolling beneficiaries – in order to limit instances in which seniors are sold a plan that is not best for them, but that compensates the plan agent best. Today, CMS did not cap agent or broker compensation, but set other rules to limit compensation to fair market value. Baucus said that the Finance Committee would watch closely to see how plans set compensation values for agents, so that seniors still come first.

For more information on senior protections in the Baucus Medicare bill, please visit the following URL on the Finance Committee website:

<http://finance.senate.gov/press/Bpress/2008press/medicare%20act%20highlights/medicare%20marketing.pdf>